

## Message Text

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ACTION EUR-12

INFO OCT-01 EA-10 IO-13 ISO-00 AID-05 CEA-01 CIAE-00  
COME-00 EB-08 FRB-03 INR-10 NSAE-00 SP-02 STR-07  
TRSE-00 LAB-04 SIL-01 OMB-01 AGRE-00 L-03 /081 W  
-----081086 121920Z /75

R 121112Z MAY 78  
FM AMEMBASSY BRUSSELS  
TO SECSTATE WASHDC 6506  
INFO USMISSION GENEVA  
ALL EC CAPITALS  
AMEMBASSY MADRID  
AMEMBASSY LISBON  
AMEMBASSY BUDAPEST  
AMEMBASSY WARSAW  
AMEMBASSY TOKYO

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USEEC

E.O. 11652: N/A  
TAGS: ETRD, EEC  
SUBJECT: EC TEXTILE QUESTIONS: CURRENT STATUS

REF: (A) 77 BRUSSELS 13415, (B) BRUSSELS 5510,  
(C) BRUSSELS ECA-144

1. MISSION OFFICER MET WITH EC TEXTILE NEGOTIATOR  
TRAN VAN THINH MAY 10 TO REQUEST UPDATE ON CURRENT  
STATUS OF EC TEXTILE NEGOTIATIONS AND OTHER TEXTILE  
QUESTIONS. TRAN STATED THAT, IN GENERAL, THE  
SITUATION IS GOOD WITH MEMBER STATES LARGELY RE-  
LAXED AND MOST OUTSTANDING ISSUES MOVING TOWARD  
RESOLUTION. SPECIFIC COMMENTS OF INTEREST FOLLOW.

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2. EAST EUROPE -  
COMMISSION REGULATION IMPOSING QUANTITATIVE RESTRIC-  
TIONS ON TEXTILES FROM ALL EAST EUROPEAN COUNTRIES  
(EXCEPT ROMANIA WHICH HAS SIGNED A BILATERAL AGREE-  
MENT WITH THE EC) WAS PUT INTO EFFECT APRIL 3  
(REF C). QUOTAS ASSIGNED WERE MEANT TO BE MORE RE-  
STRICTIVE THAN THOSE WHICH HAVE BEEN OFFERED TO

POLAND AND HUNGARY IN BILATERAL NEGOTIATIONS. COMMISSION REGULATION NEEDS TO BE ENDORSED BY MEMBER STATES IN EC COUNCIL WITHIN SIX WEEKS OF APRIL 3. TRAN SAID THAT, SURPRISINGLY ENOUGH, CERTAIN MEMBER STATES ARE OPPOSED TO HIS RESTRICTED QUOTAS AND WOULD LIKE TO EXPAND THEM. BECAUSE THIS WOULD NEGATE THE NEGOTIATING STRATEGY WHICH COMMISSION HAS FOLLOWED WITH EAST EUROPEANS, COMMISSION IS OPPOSING AND HOPES TO PREVAIL.

3. SPAIN AND PORTUGAL -

TRAN SAID THAT THE EC IS CLOSE TO REACHING AN UNDERSTANDING WITH BOTH COUNTRIES WHEREBY THEY WILL UNDERTAKE TO FOLLOW PRUDENT EXPORT POLICIES. HE OFFERED TO GIVE US FURTHER DETAILS WHEN THE SITUATION IS CLEARER.

4. RULES OF ORIGIN -

TRAN EXPRESSED THE HOPE THAT THE CONSULTATIONS IN WASHINGTON ON APRIL 7 WITH EC EXPERT ON RULES OF ORIGIN (REF B) HAD CLEARED UP ANY APPREHENSION THAT US MAY HAVE OVER ADVERSE EFFECTS OF EC ORIGIN RULES ON TEXTILES. IF PROBLEMS REMAIN, HE URGED THAT USG REQUEST FURTHER TALKS.

5. GENERALIZED SYSTEM OF PREFERENCES -

TRAN SAID THAT THE EC WILL MOST LIKELY EXTEND THE CURRENT SYSTEM FOR TEXTILES, WHICH WAS ONLY APPROVED UNTIL JULY 1, 1978, THROUGH TO THE END OF THE YEAR. EARLIER, HE HAD HOPED LIMITED OFFICIAL USE

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TO INTRODUCE A DIFFERENT SYSTEM BY JULY ONE WHICH WOULD HAVE CHANGED THE GSP DUTY FROM ZERO TO 50 PERCENT ON TEXTILES BUT WOULD HAVE EXTENDED PRODUCT COVERAGE FROM APPROXIMATELY 83,000 METRIC TONS AS AT PRESENT TO VIRTUALLY ALL LDC TEXTILE EXPORTS (REF A). BECAUSE OF SOME MEMBER STATE OPPOSITION, TRAN NOW THINKS THAT THIS CHANGE WILL BE DELAYED UNTIL JANUARY 1, 1979.

6. ADMINISTRATION OF BILATERAL AGREEMENTS -

TRAN STATED THAT HE HAS BEEN RESISTING UK PRESSURE TO DEVELOP PRECISE RULES, INCLUDING IMMEDIATE CONSULTATION, WHEN INDIVIDUAL PRODUCT QUOTAS UNDER EC BILATERAL RESTRAINT AGREEMENTS ARE EXCEEDED BY EXPORTING COUNTRIES. HE WOULD PREFER TO RETAIN FLEXIBILITY SO THAT COMMISSION COULD APPROACH INDIVIDUAL LDC'S INFORMALLY WHEN QUOTAS ARE REACHED AND SUGGEST THEY MODERATE EXPORTS.

7. FURTHER CONSULTATIONS -

TRAN SAID HE HAS NO SPECIFIC PROBLEMS IN MIND BUT THOUGHT THAT A TRILATERAL CONSULTATION COULD USEFULLY TAKE PLACE SOMETIME IN JULY.

8. ACTION: WOULD APPRECIATE WASHINGTON COMMENT ON LAST

POINT, HINTON

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TEXTILES, LESS DEVELOPED COUNTRIES, NEGOTIATIONS, DIPLOMATIC DISCUSSIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 may 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978BRUSSE09101  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780202-1054  
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**Line Count:** 117  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
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**Message ID:** 36e616a0-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
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**Previous Classification:** LIMITED OFFICIAL USE  
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**Reference:** 77 BRUSSELS 13415, 78 BRUSSELS 5510, 78 BRUSSELS A-144  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2712065  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EC TEXTILE QUESTIONS: CURRENT STATUS  
**TAGS:** ETRD, BE, EEC  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
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